

ACCOMPLISHMENT REPORT FOR THE YEAR ENDED 31 DECEMBER 2006

HIGHLIGHTS FOR 2006

The year is significant for the Philippines and its anti-money laundering regime as it is the year that the country hosted the 9th Asia/Pacific Group on Money Laundering (APG) Plenary Meeting and Technical Assistance and Training Forum. The Philippines, through the Anti-Money Laundering Council (AMLC) and the Bangko Sentral ng Pilipinas, hosted the APG Plenary Meeting on 2 – 7 July 2006 at the Philippine International Convention Center.

The APG is an autonomous regional anti-money laundering body in the Asia/Pacific Region established in February 1997 in Bangkok, Thailand as a response to the global threat of money laundering. It has thirty three (33) member jurisdictions, including the Philippines, which is one of the founding members. The APG Annual Meeting is the most important event in the APG's calendar as it is the primary policy and decision making vehicle for the APG members. The APG Annual Meeting was attended by more than two hundred fifty delegates representing various jurisdictions in the Asia/Pacific Region and international organizations such as the Financial Action Task Force, the Egmont Group, the World Bank, the United Nations Office on Drugs and Crime and the Asian Development Bank.



AMLC Chairman and BSP Governor Amando M. Tetangco, Jr. delivering the welcome remarks during the opening ceremonies of the 9th APG Annual Meeting at the Philippine International Convention Center on 2 July 2006. (From left to right) Mr. Alain Damais, FATF Executive Secretary, Insurance Commissioner Evangeline Crisostomo-Escobillo, Mr. Nobuyoshi Chihara, APG Co-Chair, President Gloria Macapagal-Arroyo, Mr. Mick Keelty, APG Co-Chair, Secretary of Finance Margarito B. Teves, Mr. Frank Swedlove, FATF President and SEC Chairperson Fe B. Barin.

It is also in 2006 that the Financial Action Task Force (FATF) decided to stop monitoring the Philippines. During its Plenary meeting in Cape Town, South Africa on 15 – 17 February 2006, the FATF noted the continued efforts of the Philippines in effectively implementing its anti-money laundering laws and regulations a year after it was removed by the FATF from its list of Non-Cooperative Countries and Territories.

The year 2006 is a fruitful year for the AMLC. The following is a brief description of the continuing efforts, initiatives and developments in the Philippine anti-money laundering regime for the said year:

A. MANPOWER, FINANCIAL AND TECHNICAL RESOURCES OF THE AMLC SECRETARIAT

1. Staffing

The AMLC Secretariat consists of sixty-seven (67) plantilla positions. Fifty four (54) of these positions had been filled up.



The Council. AMLC Chairman and BSP Governor Amando M. Tetangco, Jr., AMLC Members SEC Chairperson Fe B. Barin and Insurance Commissioner Evangeline Crisostomo-Escobillo, together with AMLC Secretariat personnel and guests, in prayer during the AMLC Christmas party and blessing of AMLC Secretariat Offices on 20 December 2006.

2. Detail/Secondment/IT Consultants

In addition to the 54 filled-up positions, AMLC Secretariat had one (1) National Bureau of Investigation Agent and one (1) officer from the

Criminal Investigation and Detection Group – Philippine National Police as detailees.

3. Budget

The salaries and related accounts of the AMLC Secretariat personnel are shouldered by the BSP, while the AMLC's capital outlays (COs) and miscellaneous and other operating expenses (MOOE)s are for the account of the national government. Also, as provided in Rule 19.1 of the AMLA's revised implementing rules and regulations, the BSP shall advance the funds necessary to defray these COs and MOOE,s, subject to reimbursement from the budget of the AMLC.

4. AMLC's Transaction Monitoring and Analysis System (TMAS)

Customization of the software solution for the TMAS Phase 1 composed of the Data Management and Consolidation, Case Management, and Records Management, was completed last April 2006 with the acceptance of the Hummingbird Software Suite from the supplier. The software package consists of the ETL (Extract, Transform and Load), Business Intelligence (BI), Document Management (DM) & Workflow, and Records Management (RM) & imaging modules. In addition to the completed work based on the project specifications, a 3-month support service was provided by the supplier to undertake user requested revisions/modifications not included in the original specifications but found to be relevant and necessary during the user acceptance test undertaken in the first quarter of 2006. During the 2nd semester 2006, while the revisions/modifications were being undertaken, parallel updating of the databases were likewise conducted and any discrepancies found were analyzed and immediately corrected.

The TMAS Phase 2 is composed of the Data Mining and the Link Analysis & Visualization. The Data Mining requirement, is being initially addressed by the Hummingbird Business Intelligence (BI) module. BI query provides an easy-to-use, visual way to query the database and generate reports. Parallel run of reports generated by the interim system using MySQL database vs reports from the BI query using Oracle database is ongoing as of end 2006. Conceptual design of a more advanced data mining and core intelligence analytics will be covered by the IT consultant being hired for this purpose prior to procurement activities.

The Link Analysis & Visualization, on the other hand, is addressed with the acquisition and implementation of the Visualinks software in March 2006. The software is a graphical analysis tool being used to search, structure, and present data for analysis to help the AMLC investigators

uncover underlying relationships and patterns leading to discovery of material linkages. Familiarization and mastery of the software is still ongoing to understand how to efficiently and effectively use the software.

5. Trainings/Seminars/Workshops/Conferences Attended by the AML Secretariat Personnel

- 1) In line with its transnational crime prevention program, AusAID sponsored Ms. Alicia C. Valderama, AMLC Secretariat investigator to a one-year scholarship in Australia. On 13 December 2006, Ms. Valderama graduated with distinction and earned her Masters Degree in Forensic Accounting at the University of Wollongong.
- 2) Workshop on Fighting Corruption and Ensuring Transparency conducted by the Australian and Philippine Government at the New World Renaissance Hotel in Makati on 16–17 January 2006.
- 3) Workshop on “Investigating and Prosecuting Terrorist Cases and Other Organized Crimes” conducted by the United States Department of Justice on 15-17 February 2006.
- 4) “Training of Trainers” course conducted by the Rule of Law Effectiveness at the Professional Development Center of the Commission on Audit in Quezon City on 20 February – 1 March 2006.
- 5) Complex Financial Investigation Course at the International Law Enforcement Academy in Bangkok, Thailand on 13-24 March 2006.
- 6) Conference on Terrorist Finance in The Hague, The Netherlands on 15-16 March 2006.
- 7) Alternative Remittance Workshop conducted by the Australian Transaction Reports & Analysis Centre (AUSTRAC), the FIU of Australia, in Fremantle, Western Australia on 21 – 24 March 2006.
- 8) Anti-Terrorism Assistance (ATA) Program course entitled “Interdicting Terrorist Activities” held at the Philippine Public Safety College, Fort Bonifacio, Taguig City on 17 April 2006 – 5 May 2006.
- 9) “Training of Trainers” Program conducted by the Rule of Law Effectiveness at the De La Salle University on 26 April 2006 – 5 May 2006.

- 10) Advanced Criminal History Information conducted by the Federal Bureau of Investigation at the National Bureau of Investigation (NBI) Headquarters, Manila on 24-28 April 2006.
- 11) Basic Fingerprinting Techniques conducted by the Federal Bureau of Investigation at the NBI Headquarters, Manila on 24-28 April 2006 and 2-5 May 2006.
- 12) National Expert Workshop on International Cooperation in Criminal Matters Relating to Counter-Terrorism under the initiative of the United Nations (U.N.) Office on Drugs and Crime and supported by the U.S. Embassy Manila at the Diamond Hotel, Manila on 8-9 May 2006.
- 13) Operational Meeting on Asian Organized Criminal Groups in Asia Pacific held at the Century Park Hotel, Manila on 15-17 May 2006.
- 14) Public Anti-Corruption Class and Observation Tour in Quantico, Virginia, USA on 13-19 June 2006.
- 15) Advanced Management Course at the International Law Enforcement Academy in Roswell, New Mexico, USA on 5-30 June 2006
- 16) Anti-Terrorism Assistance (ATA) Program course entitled Preventing, Interdicting and Investigating Acts of Terrorism held at the National Defense College of the Philippines, Camp Emilio Aguinaldo, Quezon City from 26 June to 4 August 2006.
- 17) Advance Net Worth Analysis Workshop conducted by the ASEAN at Kuala Lumpur, Malaysia on 17-21 July 2006.
- 18) Basic Financial Investigation Course conducted by the Rule of Law Effectiveness at the Development Academy of the Philippines from 26 June to 14 July 2006.
- 19) Basic Trial Advocacy Program for government prosecutors and lawyers conducted by the Rule of Law Effectiveness every Fridays from 4 August 2006 to 17 November 2006.
- 20) Basic Undercover Operations Training Course held at the Intelligence Training Group Classroom, Camp Crame, Quezon City, on 12-14 September 2006.
- 21) Terrorist Financing Typologies Forum conducted by the Australian Transaction and Analysis Centre in Singapore on October 2 -6, 2006.
- 22) Asia/Pacific Group on Money Laundering Typologies Workshop in Jakarta, Indonesia on November 13 – 17, 2006.

- 23) Financial Investigation Course conducted by the Narcotics Bureau, Hong Kong on November 15 – 19, 2006.
- 24) Regional Workshop on Terrorist Financing conducted by the Southeast Asia Regional Centre for Counter-Terrorism and the British High Commission in Kuala Lumpur, Malaysia on November 27 – 30, 2006
- 25) Conference of Parties to the United Nations Convention Against Corruption, King Hussein Bin Talal Convention Centre, Dead Sea, Jordan, 10-14 December 2006.



ILEA ROSWELL – SESSION 46. Atty. Evangeline C. Suazo, Bank Attorney III and Mr. Monico B. Villar, Jr., Bank Officer IV, both from the Compliance and Investigation Staff, AMLC Secretariat, together with PSSupt. Abner Cabalquinto, Regional Deputy Director, Region 4A, Calabarzon; PSupt. Adelio Castillo, Regional Training Officer, PRO5; PSupt. Victor Valencia, Intel Officer, Camarines Sur; PCInsp Roy Cruzata, Program Management Officer, Philippine National Police (PNP); PSSupt Abe L. Lemos, Regional Director, Metro Manila Regional Office; PSupt Roybel Sanchez, Foreign Relations Officer, Philippine Drug Enforcement Agency (PDEA); Mr. Olivo A. Ramos, Head Agent, Laguna District; Atty. Henry De Vera, Executive Officer for Administration, RAID; National Bureau of Investigation (NBI); and JSSupt Rosendo Dial, Director, Jail National Training Institute, Bureau Of Jail Management and Penology (BJMP) and delegations from Malaysia and Indonesia attending the Advance Management Course at the International Law Enforcement Academy in Roswell, New Mexico from June 5 to June 30, 2006.

B. FUNCTIONS OF THE AMLC

1. Receipt of covered and suspicious transaction reports

All transactions in cash or equivalent monetary instruments involving a total amount in excess of PhP500,000 within one banking day are automatically reported by covered institutions to the AMLC as covered transactions. All covered transactions are further screened as possible suspicious transaction. If classified as suspicious transaction, then a suspicious transaction report is prepared and submitted to the AMLC.

All transactions, even those involving amounts less than PhP500,000 are also scrutinized by covered institutions to determine whether these are suspicious. Suspicious transactions are transactions with covered institutions, regardless of the amounts involved, where any of the following circumstances exist:

1. there is no underlying legal or trade obligation, purpose or economic justification;
2. the client is not properly identified;
3. the amount involved is not commensurate with the business or financial capacity of the client;
4. taking into account all known circumstances, it may be perceived that the client's transaction is structured in order to avoid being the subject of reporting requirements under the act;
5. any circumstance relating to the transaction which is observed to deviate from the profile of the client and/or the client's past transactions with the covered institution;
6. the transaction is in any way related to an unlawful activity or offense under this act that is about to be, is being or has been committed; or
7. any transaction that is similar or analogous to any of the foregoing

All covered transactions are submitted in electronic form while suspicious transactions are reported both in electronic form and in hard copy to the AMLC.

i. Total Number of covered transactions (CTs)/ suspicious transactions (STs) as of 31 December 2006

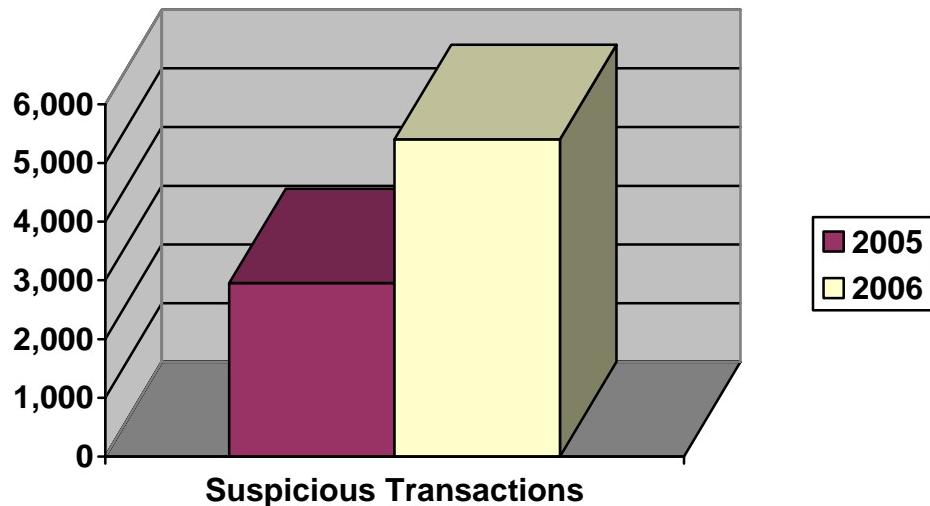
	<i>Banks/ NBFIs</i>	INSURANCE	SECURITIES	GOVT.	TOTAL NO. OF TRANSACTIONS
STs	11,021	75	30	2,679	13,805
CTs	74,706,188	82,329	102,966	0	74,891,483

As shown above, as of 31 December 2006, there were 13,805 suspicious transactions (STs) and 74,891,483 covered transactions (CTs) reported to the AMLC. As of December 2005, there were 8,402 suspicious transactions (STs) and 48,871,717 covered transactions (CTs) reported.

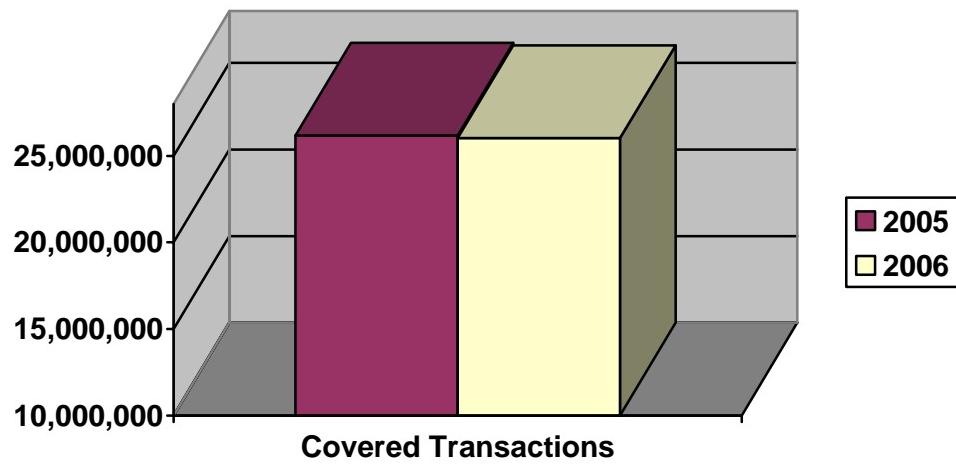
ii. Total Number of covered transactions (CTs)/ suspicious transactions (STs) for 2006

	<i>Banks/ NBFIs</i>	INSURANCE	SECURITIES	TOTAL NO. OF TRANSACTIONS
STs	5,370	28	5	5,403
CTs	25,944,737	38,987	36,042	26,019,766

For the year 2006, there were 5,403 suspicious transactions (STs) and 26,019,766 covered transactions (CTs) reported to the AMLC.



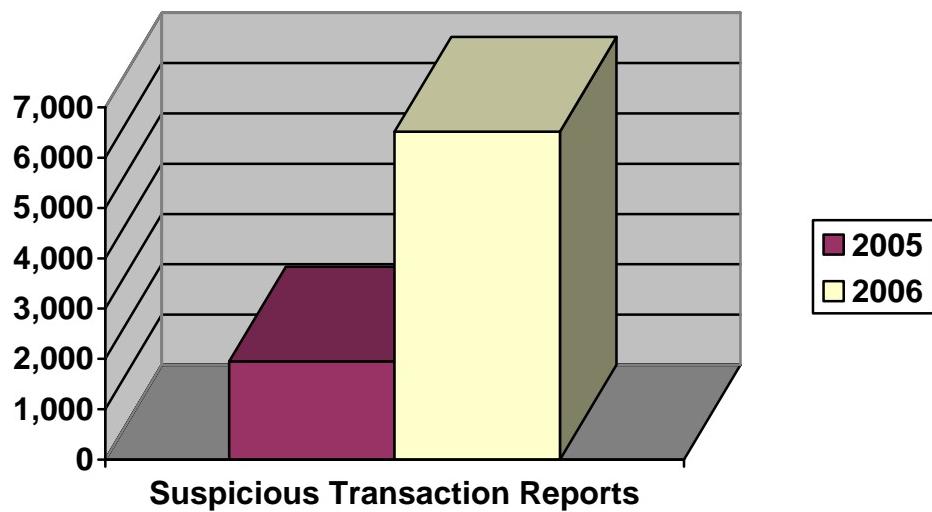
Suspicious transactions reported to the AMLC increased by 83.09% in 2006. There were 5,403 suspicious transactions in 2006 compared to 2,951 in 2005.



For covered transactions received by the AMLC, there were 26,019,766 covered transactions in 2006 as against to 26,169,812 in 2005.

iii. Reports of Suspicious Transactions

As of 31 December 2006, there were 6,520 reports submitted to the AMLC involving 13,805 suspicious transactions, as compared to 1,952 reports submitted to the AMLC involving 8,402 suspicious transactions as of 31 December 2005.



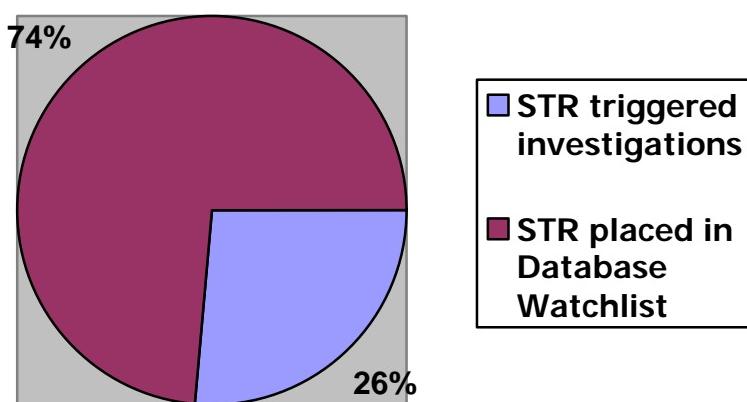
In 2006 alone, the AMLC received 4,568 reports of suspicious transactions.

Of the 4,568 reports of suspicious transactions, 1,201 reports or 26% of the total reports submitted for the year were the subject of further investigation since they were found to be related to certain unlawful

activities under the AMLA, like kidnapping for ransom, violations of the Dangerous Drugs Act, qualified theft, estafa, graft and corruption and terrorist-related activities.

The remaining 74% or 3,367 reports received were placed in AMLC's "Database Watchlist" for future reference. The AMLC could not pursue further investigation on these reports since there is no sufficient proof/evidence, as of the cut-off date, to link the said transactions to certain unlawful activities under the AMLA.

Reports of Suspicious Transactions in 2006



2. Investigation and prosecution of money laundering, civil forfeiture and other related cases

The submission of covered and suspicious transaction reports by covered institutions to the AMLC does not automatically mean that the persons or entities subject of the said reports will be prosecuted or charged for a money laundering offense or the funds subject of said reports will be frozen or will become the subject of a civil forfeiture case. There is a need for the AMLC to show that the said transactions are related to an unlawful activity under the AMLA. Mere receipt of suspicious transactions or covered transactions is not sufficient to establish that the said transactions are related to unlawful activities under the AMLA. In fact, under the AMLA, only one of the suspicious transaction indicators require covered institutions to submit a report when a transaction is related to an unlawful activity or a money laundering offense that is about to be, is being or has been committed.

A great number of suspicious transaction reports received by the AMLC involved applications for credit card where the applicants submitted fake identity documents to the concerned covered institutions. One of the suspicious transaction indicators under the AMLA is "where the client is not properly identified" as when he submitted fraudulent

identity documents. Reported transactions like these do not require investigation.

Covered transactions and suspicious transactions are not stand alone evidence and serves only as triggers for further investigation that may produce evidence to establish probable cause that the said accounts are related to unlawful activities under the AMLA before the AMLC can file a money laundering case or institute the freezing or forfeiture of the funds subject of said reports.

This explains why the number of cases being filed by the AMLC is very much less compared to the number of reports being received. The filing of appropriate criminal, civil or administrative action under the AMLA requires more than just covered or suspicious transaction reports coming from covered institutions.

i. Number of money laundering, civil forfeiture and other related cases

	OMB	DOJ	RTC	CA	SC	TOTAL
MONEY LAUNDERING CASES	-	10	23			33
CIVIL FORFEITURE CASES			22			22
APPLICATIONS FOR BANK INQUIRY			17			17
APPLICATIONS FOR FREEZE ORDER				1		1
PETITIONS FOR EXTENSION OF FREEZE ORDER				7	2	9
TOTAL	-	10	62	8	2	82

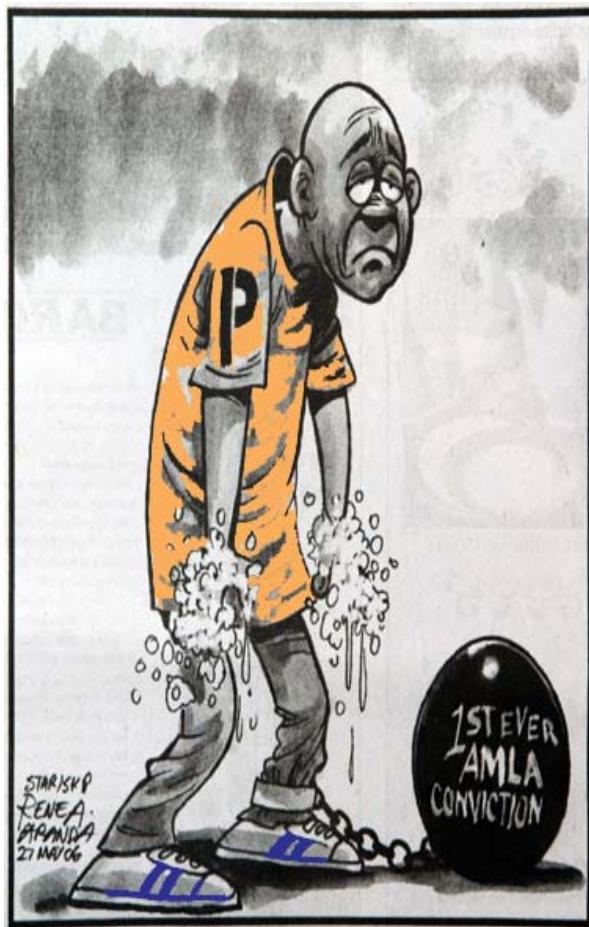
Out of the thirty three (33) money laundering cases, twenty three (23) are still being tried before special anti-money laundering courts and ten (10) are under preliminary investigation by the Anti-Money Laundering Task Force of the Department of Justice.

In civil forfeiture cases, three (3) had been decided in favor of the Republic of the Philippines.

In a civil forfeiture case entitled, "Republic of the Philippines vs. G. Cosmos Phils. Inc.", the Regional Trial Court of Manila, Branch 50 ordered the forfeiture of P117,792.21, US\$279.05 and JPY63,113.36 in favor of the Government. The judgment was executed on 5 September 2006.

The other two (2) judgments, involving the total amount of P348,238.45 and US\$7.62, are pending execution.

Illustrative Case – First Money Laundering Conviction in the Philippines



The Philippine STAR **NEWS**
SATURDAY, MAY 27, 2006

GMA lauds first money laundering conviction in RP

President Arroyo lauded yesterday the conviction of a bank manager for money laundering, saying it was clear proof of the government's determination to block potential money trails of crime syndicates and terrorists.

"The enforcement of this law is part and parcel of our fight against organized crime and corruption and of our role as a stronger player in regional and global security," the President said in a speech before international financial market players.

She said the enforcement of the anti-money laundering law was moving forward and the first conviction was gained through effective prosecution by the government.

Press Secretary Ignacio Bunye said the President was pleased with the conviction even though the case may still be appealed.

The Anti-Money Laundering Council (AMLC) announced the other day that Branch 167 of the Pasig Regional Trial Court handed down the first ever conviction against Eric Allagadan, branch manager of Union Bank in Annapolis, Greenhills.

Allagadan was ordered to pay P1.5 million or face a prison term of not less than four years but not more than six years.

Court records revealed that in March 2002, Mitsubishi had paid taxes and duties for an imported cargo from Japan amounting to P15.9 million. However, the amount was not

On 25 May 2006, the Regional Trial Court, Branch 167 of Pasig City convicted a bank manager of the crime of money laundering under Sec. 4(b) of the AMLA. The bank manager was found guilty of facilitating the diversion of P15.9 million worth of import duties payable to the Bureau of Customs to the accounts of private individuals who are clients of his bank. He was sentenced to suffer imprisonment from 4 years as minimum to 6 years as maximum, and to pay a fine of P1.5 million with subsidiary imprisonment in case of insolvency.

ii. Amount of funds / bank deposits frozen

	PHILIPPINE PESO	US DOLLARS*	JAPANESE YEN**	TOTAL
TOTAL AMOUNT FROZEN	1,075,877,448.72	\$2,809,091.00	JPY 63,114.36	1,213,919,780.27
TOTAL AMOUNT UNFROZEN***	688,260,515.00	67,899.00		691,596,528.67
TOTAL	387,616,933.72	\$2,741,192.00	JPY 63,114.36	522,323,251.61

*DOLLAR-PESO EXCHANGE RATE: \$1.00 : 49.1320

**YEN-PESO EXCHANGE RATE: P1.00: 0.4131

***TOTAL AMOUNT UNFROZEN AND RETURNED TO INVESTORS/VICTIMS

iii. Real Properties subject of Civil Forfeiture Cases

NUMBER OF CASE	PARCELS OF LAND INVOLVED	TOTAL LAND AREA	ESTIMATED VALUE (IN PHP)
2	8	6,137 SQM	P33,020,500.00

iv. Number of inquiries/examinations conducted in various banks (without court order)

UNLAWFUL ACTIVITIES INVOLVED	NO. OF AMLC RESOLUTIONS ISSUED	NO. OF SUSPECT INDIV/ENTITIES INVOLVED	NO. OF ACCOUNTS INQUIRED INTO/EXAMINED
DRUG TRAFFICKING	17	79 INDIVIDUALS	198
KIDNAPPING FOR RANSOM	7	8 INDIVIDUALS	28
TERRORISM- RELATED	13	36 INDIVIDUALS/ 4 ENTITIES	47
TOTAL	36	121 INDIVIDUALS/ 4 ENTITIES	261

v. Number of inquiries/examinations conducted in various banks (with court order)

UNLAWFUL ACTIVITIES INVOLVED	NO. INQUIRIES/EXAMINATIONS
MONEY LAUNDERING OFFENSE/ESTAFA	3
SECURITIES REGULATION CODE VIOLATION	5
MONEY LAUNDERING OFFENSE/ANTI- GRAFT & CORRUPT PRACTICES	6
SWINDLING/FRAUD	4

3. Compliance and Enforcement

While under the AMLA, it is the Supervising Authorities (the Bangko Sentral ng Pilipinas, the Insurance Commission and Securities and Exchange Commission) which have the primary responsibility to ensure that the covered institutions under their respective supervision/regulation fully comply with the AMLA and its Revised Implementing Rules and Regulations, the AMLC nevertheless investigates and if warranted, imposes administrative fines and/or files appropriate charges against erring covered institutions and their responsible personnel. In fact, the AMLC had already imposed administrative fines on erring banks.

The AMLC had also required a number of banks to explain why they should not be held liable for failure to file STR/CTR and observe the KYC policy.

Resolved administrative matters under investigation

VIOLATION	NO. OF CASES
FINE/S PAID	4
FINE/S PAYMENT STILL PENDING	3
WITHOUT FINE	2

Number of pending administrative matters under investigation

VIOLATION	NO. OF CASES
FAILURE TO SUBMIT STR/CTR	62
FAILURE TO OBSERVE KYC RULE	2

4. Domestic and International Cooperation

i. Domestic Cooperation

a. National Law Enforcement Coordinating Committee (NALECC) and the Sub-Committee on Anti-Money Laundering/ Combating the Financing of Terrorism. The AMLC is a regular member in good standing of the NALECC, which is a policy-coordinating and action monitoring mechanism for all government agencies with a role in formulating law enforcement and regulatory policies that are currently being implemented, providing inputs and recommendations and enabling the passage of important legislations affecting the country's peace and order, economy and environment. NALECC consists of fifty eight (58) member-agencies.

The AMLC Executive Director is the chair of the Sub-Committee on Anti-Money Laundering/ Combating the Financing of Terrorism which was formed on 15 August 2003. The Sub-Committee has 26 member-agencies.

The NALECC Sub-Committee on Anti-Money Laundering/ Combating the Financing of Terrorism was awarded as the Best NALECC Sub-Committee on 22 September 2006 on the occasion of the 24th NALECC anniversary celebration at the Days Hotel, Tagaytay City.

b. Memorandum of Agreement (MOA) with other concerned government agencies. On 31 May 2006, the AMLC entered into MOA with the National Intelligence and Coordinating Agency (NICA) to promote and encourage cooperation and coordination in detecting and preventing money laundering activities and terrorist

financing in the country. The AMLC have existing MOAs with the Criminal Investigation and Detection Group of the Philippine National Police, the Department of Justice, the Philippine Center on Transnational Crime, the Philippine Drug Enforcement Agency, PNP Anti-Terrorism Task Force "Sanglahi" and the Office of the Ombudsman. It is also set to enter into MOA with other government agencies.

- c. **Supplemental Memorandum of Agreement on Physical Cross-Border Transport of Currencies.** Upon AMLC's initiative, a Supplemental Memorandum of Agreement was signed on 20 December 2006 by the AMLC, the BSP, the Bureau of Customs, the Manila International Airport Authority, the Philippine Ports Authority, the Philippine National Police, the Bureau of Immigration and the Air Transportation Office on the effective implementation of the BSP rules on physical cross-border transport of currencies and in compliance with FATF's 9th special recommendation.



SUPPLEMENTAL MOA SIGNING. BSP Governor and AMLC Chairman Amando M. Tetangco, Jr., during the signing of the Supplemental Memorandum of Agreement on Physical Cross-Border Transport of Currencies. With him were Air Transportation Office Assistant Secretary Nilo C. Jatico, Bureau of Customs Commissioner Napoleon L. Morales, Police Director Alejandro C. Lapinid representing Philippine National Police Chief Director General Oscar C. Calderon, Bureau of Immigration Alipio F. Fernandez, Philippine Ports Authority General Manager Oscar M. Sevilla, Atty. Oscar L. Paras, Jr. representing Manila International Airport Authority General Manager Alfonso G. Cusi, BSP Deputy Governor Diwa C. Guinigundo, AMLC Secretariat Executive Director Vicente S. Aquino and International Department Managing Director Celia M. Gonzales.

ii. International Cooperation and Mutual Legal Assistance

- a. **International requests.** In 2006, the Philippines, thru the AMLC, had received and promptly taken appropriate action on forty one (41) international requests for assistance involving other jurisdictions.
- b. **AMLC's requests for foreign assistance.** In 2006, the AMLC made eighteen (18) requests for assistance from other FIUs, embassies and law-enforcement agencies.
- c. **AMLC Resolutions against Terrorists and Terrorist-Related Groups.** The AMLC issued sixty (60) Resolutions, nine (9) in 2006, directing all covered institutions to report to AMLC, transactions and assets, if any, of designated terrorist individuals and organizations as well as any person/group with links to terrorist organizations, i.e., Osama Bin Laden, Al-Qaeda, Jemaah Islamiyah, the Taliban, and other terrorist organizations designated by the UN Security Council, the United States and other foreign governments.
- d. **Memorandum of Understanding (MOU) with the Money Laundering Prevention Center (MLPC) of Taiwan.** – To facilitate the exchange of information related to money laundering and financing of criminal activities related to terrorism, the AMLC had entered into an MOU with the MLPC on 21 September 2006. The AMLC has existing MOUs with Korean Financial Intelligence Unit, the Bank Negara Malaysia, the Indonesian Financial Transaction Reports and Analysis Center, the Anti-Money Laundering Office of Thailand, the FIU of Palau, the Australian Transaction Reports and Analysis Centre and the U.S. Financial Crimes Enforcement Network. It also plans to enter into MOU with other FIUs.

5. AML EDUCATIONAL AND PUBLIC INFORMATION PROGRAM

- i. **Number of seminars/workshops/lectures conducted.** For 2006, the AMLC had conducted a total of one hundred seventy seven (177) seminars/workshops/lectures on the AMLA, as amended and its IRRs, on the pernicious effects of money laundering, the methods and techniques used in money

laundering and how to effectively prosecute and punish money launderers, and four hundred ninety eight (498) briefings in transaction reporting procedures nationwide. Participants included covered institutions' personnel - banks, insurance companies, investment and securities houses, BSP, SEC, IC examiners and officers, law enforcement and military personnel, prosecutors, judges, businessmen, the academe, the media and the general public.

ii. AMLC's co-sponsored trainings/seminars/workshops

- a. The AMLC, in line with the Asian Development Bank's (ADB) Technical Assistance (TA) program, organized thirteen (13) sessions of a 2-day course on Anti-Money Laundering and Terrorist Financing designed for Intelligence officers and Investigators of the Philippine National Police (PNP). Resource speakers for the course include officers from the AMLC Secretariat, U.S. Federal Bureau of Investigation (FBI), U.S. Department of Treasury-Office of Technical Assistance, and the U.S. Department of Homeland Security.
- b. The AMLC, in coordination with the U.S. Immigration and Customs Enforcement and the U.S. Department State, conducted a training seminar on Interdiction of Bulk Cash Smuggling at the Mandarin Oriental Hotel in Makati City on 30 January – 2 February 2006. Representatives from the AMLC, the Bangko Sentral ng Pilipinas, the Bureau of Customs, the Bureau of Immigration, the Office of the Ombudsman, the Bureau of Internal Revenue, the Philippine Ports Authority, the PNP Aviation Security Group, the Manila International Airport Authority and the Office of the Solicitor General attended the said training seminar.
- c. The AMLC, in coordination with the Philippine Judicial Academy, the Rule of Law Effectiveness (ROLE) and the American Bar Association-Asia Law Initiative, conducted a training for prosecutors/solicitors and judges/justices on the New Rule on Civil Forfeiture at the Discovery Suites in Ortigas, Pasig City on 6 – 7 February 2006. The training was attended by the prosecutors/lawyers from the AMLC, the DOJ, the Office of the Special Prosecutor-Office of the Ombudsman, the Office of the Solicitor General, special anti-money laundering court judges, Sandiganbayan justices and Court of Appeals justices.

- d. The World Bank, with the assistance of the AMLC, organized a Distance Learning Course on AML/CFT for AMLC and other concerned public and private sector officials which was held at the Asian Institute of Management and the World Bank Development Resource Center in Makati City every Wednesday from 8 - 29 March 2006. Participants from the government sector consisted of representatives from the AMLC, BSP, SEC, IC, DOJ, CIDG, while the private sector was represented by the Association of Bank Compliance Officers, the Philippine Association of Securities, Brokers and Dealers, the Philippine Life Insurance Association, Inc., and the Clearing Officers Club, Inc.
- e. The AMLC, in line with ADB's TA program, organized six (6) sessions of a 3-day Training/Seminar on Interdiction of Bulk Cash Smuggling for relevant government agencies involved in the investigation and prosecution of currency smuggling, such as the Bureau of Immigration, the Bureau of Customs, the PNP Aviation Security Group, the Manila International Airport Authority and the Bangko Sentral ng Pilipinas.



AMLC IN LAOAG. Ms. Rowena D. Rubio of the AMLC Secretariat conducting a lecture in Loaog City during a 3-day Training/Seminar on Interdiction of Bulk Cash Smuggling for relevant government agencies involved in the investigation and prosecution of currency smuggling.

- f. The AMLC, in coordination with the US Embassy Manila, Internal Revenue Service and the Federal Bureau of Investigation, conducted a Financial Investigation Techniques Training Program on 7-11 August 2006 and

11-15 September 2006 at the Executive Business Center, BSP.

- g. The AMLC, in coordination with the Office of Technical Assistance of the U.S. Department of Treasury, conducted two (2) classes of Financial Investigation Training for the government on 9-13 and 16-20 October 2006 held at the Executive Business Center, BSP.

C. OTHER AML INITIATIVES/DEVELOPMENTS

1. **Gaming Assessment in the Philippines.** The U.S. Department of Treasury – Office of Technical Assistance (OTA) assisted by the AMLC, conducted a Gaming Assessment in the Philippines last 2-11 October 2006 to determine the assistance that may be extended by the US Government in terms of training and technical support.
2. **European Study Tour.** The Philippine delegation, which is headed by the senior officials of the AMLC, participated in the European study tour which was sponsored by the B & S Europe. The tour was focused on comprehensive meetings and presentations made by FIU counterparts in Austria, France and Italy. The Philippine delegates also visited the office of the Financial Action Task Force in Paris, France.
3. **Technical Assistance and Training.** Officers from the Australian Transaction Reports and Analysis Centre (AUSTRAC) made a follow-up technical assistance and training visit to the AMLC on 3-7 April 2006. The AUSTRAC team also met with representatives of agencies being represented in the AMLC such as the BSP, the SEC, the IC; with representatives from the relevant law enforcement agencies, i.e., the ISAFP, the CIDG, the PCTC, the PACER, the PDEA, the NBI, the Task Force "Sanglahi" and the AIDSOTF; and with the representatives from prosecutorial agencies like DOJ, Ombudsman and Office of the Solicitor General.

On 6 November 2006, the Republic of the Philippines-European Union (RP-EU) Anti-Money Laundering Project for the Philippines was officially launched with the opening of its "Training of Trainors Program". The Project aims to train a select group of trainors from the Bangko Sentral ng Pilipinas, Securities and Exchange Commission, Insurance Commission, the Anti-Money Laundering Council, the Office of the Ombudsman, Department of Justice and Philippine National Police. The trainors, in turn, would be responsible for giving training/seminars to the various stakeholders in the Philippines anti-money laundering regime (e.g. banks, securities and insurance companies, the Judiciary,etc).